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Andrew J. Capestro  
Far West Water and Sewer, Inc.  
13157 E. 44<sup>th</sup> Street  
Yuma, Arizona 85367  
(928) 342-3344

2008 AUG 29 P 4:03

AZ CORP COMMISSION  
DOCKET CONTROL

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE  
APPLICATION OF FAR WEST WATER  
& SEWER, INC., AN ARIZONA  
CORPORATION, FOR AUTHORITY (1)  
TO ISSUE EVIDENCE OF  
INDEBTEDNESS IN AN AMOUNT NOT  
TO EXCEED \$25,215,000 IN  
CONNECTION WITH (A) THE  
CONSTRUCTION OF SEWER SYSTEM  
INFRASTRUCTURE IMPROVEMENTS  
AND (B) REPAYMENT AND  
CONSOLIDATION OF EXISTING DEBT;  
AND (2) TO ENCUMBER ITS REAL  
PROPERTY AND PLANT AS SECURITY  
FOR SUCH INDEBTEDNESS.

DOCKET NO. WS-03478A-05-0801

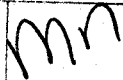
**NOTICE OF FILING  
FILE STAMPED COPY  
OF COMPLAINT AGAINST  
CLEAR SOLUTIONS  
ENVIRONEERING, INC  
KENT MARLEY AND  
NADIA ADIAS**

Pursuant to Decision No. 69335, Far West Water & Sewer, Inc. hereby files this copy of the complaint filed by Far West Water and Sewer, Inc. on May 24, 2007 against Clear Solutions Enviroengineering, Inc, Kent Leroy Marley and Nadia Adais for breach of contract, negligence and misrepresentation which documents Far West's identification and action against contractors that failed to meet their contractual obligations owed to Far West.

Dated this 28<sup>th</sup> day of August, 2008.

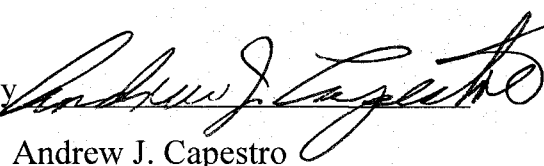
Arizona Corporation Commission  
**DOCKETED**

AUG 29 2008

DOCKETED BY 

Far West Water and Sewer, Inc.

By

  
Andrew J. Capestro

1 ORIGINAL and 13 copies delivered this  
2 28<sup>th</sup> day of August, 2008 to:

3 Docket Control  
4 Arizona Corporation Commission  
5 1200 West Washington Street  
6 Phoenix, Arizona 85007

7 COPY mailed this 28<sup>th</sup> day of August, 2008 to:

8 Compliance Section  
9 Arizona Corporation Commission  
10 1200 West Washington Street  
11 Phoenix, Arizona 85007

12 Keith Layton, Staff Attorney  
13 Legal Division  
14 Arizona Corporation Commission  
15 1200 West Washington  
16 Phoenix, AZ 85007

17 By: Mary Garman  
18  
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20  
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1 Michael D. Kimerer, #002492  
2 KIMERER & DERRICK, P.C.  
3 221 East Indianola Avenue  
4 Phoenix, Arizona 85012  
5 Telephone: 602/279-5900  
6 Facsimile: 602/264-5566  
7 Attorneys for Plaintiff

FILED

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BEVERLY FRAME  
CLERK OF SUPERIOR COURT  
YUMA ARIZONA 85364

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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN AND FOR THE COUNTY OF YUMA

FAR WEST WATER AND SEWER, INC )  
An Arizona Corporation )

Plaintiff, )

v. )

CLEAR SOLUTIONS ENIRONEERING, )  
INC, KENT LEROY MARLEY, )  
NADIA ADIAS, DOES I THRU XX )

Defendants. )

Case Number: S1400CV0200 700615

COMPLAINT FOR BREACH OF  
CONTRACT, NEGLIGENCE,  
AND MISREPRESENTATION

DIV  
3

Plaintiff alleges:

1. At all times herein mentioned, Plaintiff, Far West Water and Sewer, Inc., is and was a corporation organized and existing under the laws of the state of Arizona with its principal place of business in this state in the county of Yuma.

2. Plaintiff is informed and believes, and thereon alleges, that Defendant Clear Solutions Environeering, Inc. is a corporation organized pursuant to the laws of the state of Colorado and doing business in the state of Arizona and County of Yuma.

3. At all times mentioned herein, Defendant Kent Leroy Marley was, and still is, a registered

1 professional (civil) engineer, certified to practice as such in this state, as does practice in the  
2 county of Yuma. Plaintiff is informed and believes, and thereon alleges, that defendant Marley is  
3 the president and chief operating officer of the Defendant Clear Solutions Enviroengineering, Inc.

4 4. At all times mentioned herein, Defendant Nadia Adias was, and still is, a registered  
5 professional (civil) engineer, certified to practice in this state, and does practice in the county of  
6 Yuma. Plaintiff is informed and believes, and thereon alleges, that Defendant Adias is the vice  
7 president and an operating officer of the Defendant Clear Solutions Enviroengineering, Inc.  
8

9 5. Plaintiff is ignorant of the true names and capacities of defendants sued herein as DOES I-  
10 IV, inclusive and therefore sues these defendants by such fictitious names. Plaintiff will  
11 amend this complaint to allege their names and capacities when ascertained.  
12

13 6. At all times herein mentioned, plaintiff was, and still is, a public utility company, servicing  
14 the public with water and sewer services. To provide such services, plaintiff is the owner of  
15 certain real property located in the county of Yuma, on which water and waste water treatment  
16 facilities are located and maintained.  
17

18 7. Beginning on April 6, 2003, plaintiff and defendants entered into a series of written  
19 agreements whereby plaintiff employed defendants as professional engineers to design, engineer,  
20 permit and construct wastewater treatment facilities for the plaintiff on plaintiff's land, which  
21 facilities were required to meet the requirements of the state of Arizona and the Department of  
22 Environmental Quality. Defendants, upon execution of each contract and payment of initial fee,  
23 Defendants were required to initiate engineering design, prepare regulatory submittal and support  
24 for an Aquifer Protection Permit amendment through the Arizona Department of Environmental  
25 Quality, apply for and obtain such a permit and permission to construct, and thereafter construct  
26 the equipment as approved by the state of Arizona.  
27  
28

1       8. On April 6, 2003, plaintiff and defendants entered a contract for a 150,00 gallon per day  
2 wastewater treatment facility to be located on property owned by the plaintiff and known as Del  
3 Oro. The contract required the plaintiff to pay to the defendants the sum of \$497,000.00, which  
4 plaintiff caused to be paid. A copy of that contract is attached hereto as Exhibit A, and  
5 incorporated herein.  
6

7       9. The defendants did submit engineering design and regulatory submittal to ADEQ,  
8 but did not meet the standards of the Department of Environmental Quality. The defendants  
9 failed to correct the deficiencies in the application for a permit, and never obtained a permit or  
10 permission to construct.  
11

12       10. The defendants did construct a waste water facility at Del Oro, but without the required  
13 permit or permission to construct. The wastewater treatment facility was completed on May 25,  
14 2004. The plaintiff did not learn that the defendant failed to obtain the required permit until  
15 August 2005 when the plaintiff was informed of the lack of a permit by the Department of  
16 Environmental Quality. Until such time, plaintiff believed that the defendants had obtained all  
17 of the necessary permits for the wastewater treatment plant.  
18

19       11. In addition to the lack of permit, the wastewater treatment as designed and installed by  
20 the defendants fails to meet the effluent quality standards of the state of Arizona and has to be  
21 replaced.  
22

23       12. Because of the failures of the defendants to obtain the required permit, the failure to  
24 provide a treatment process that meets state standards, and the misrepresentations that a permit had  
25 been obtained, the plaintiff has been severely damaged, in that the plaintiff has been cited by the  
26 state of Arizona for the deficiencies of the defendant, has been restricted in its activities to provide  
27 services to the public and is threatened with fines by the state because of the defendants actions.  
28

1 The amount of damages that the plaintiff will suffer is unknown at this time and plaintiff prays  
2 leave of this court to amend this complaint when the actual damages are known.

3 13. On April 29, 2004, plaintiff and defendants entered a second contract for the retrofit and  
4 expansion of a second wastewater treatment plant known as Marwood. Pursuant to this contract,  
5 plaintiff was required to pay, and did cause to be paid, the sum of \$595,000.00 to the defendants.  
6 The contract called for expansion of gallonage from 340,000 per day to 500,000 per day, and  
7 required the defendants to proceed with regulatory submittal and obtain the necessary APP permit  
8 amendment. Although the defendants were paid in full, the defendants never submitted the  
9 documentation to the state to allow the retrofit or expansion, failed to expand the Marwood plant  
10 as required by the contract, and failed to meet the specifications of the contract. A copy of the  
11 contract for Marwood is attached hereto as Exhibit B and incorporated herein as if set forth in full.  
12

13  
14 14. Defendants failure to meet the contract terms, negligent performance of contract, failure  
15 to meet the standards of the state of Arizona, and the misrepresentations concerning the submittal  
16 of a permit application to the state has severely damaged the plaintiff, all in an amount unknown at  
17 this time. Plaintiff requests leave of this court to amend this complaint when the amount of  
18 damages is known.  
19

20 15. On July 29, 2004, the plaintiff entered a third contract with the defendants for an  
21 additional 150,000 gallon per day treatment plant, originally to expand Del Oro. Pursuant to the  
22 agreement of the parties, the agreement and terms set forth therein was changed to an expansion of  
23 another plant owned by the plaintiff known as Seasons. Pursuant to the terms of that contract, the  
24 plaintiff was required to pay, and did cause to be paid, the sum of \$595,000.00 for the  
25 improvement. Pursuant to the terms of the contract, the defendant was required to provide a  
26 regulatory submittal package upon the signing of the contract and receipt of the down payment. A  
27  
28

1 copy of the contract is attached hereto as Exhibit C and is incorporated herein as if set forth in full.  
2 The plaintiff paid \$200,000.00 down on July 30, 2004, but the defendant did not submit the  
3 regulatory submittal package to the state of Arizona until March 30, 2006. Defendants constructed  
4 the expanded wastewater treatment facility at Seasons without a permit and without permission to  
5 construct first obtained from the state of Arizona. In addition, the wastewater treatment plant fails  
6 to meet the standards of the Department of Environmental Quality for effluent generated.  
7

8 16. Defendants breach of contract, negligent performance of contract, failure to meet the  
9 standards of the state of Arizona and the misrepresentations about the submission of appropriate  
10 documentation to the state of Arizona has severely damaged the plaintiff. The state of Arizona has  
11 restricted the use of the wastewater facilities by the plaintiff and has informed the plaintiff that the  
12 plaintiff will be fined because of the failures of the defendants. The amount of damages is  
13 unknown at this time and plaintiff requests leave of this court to amend this complaint when the  
14 actual amount of damages is known. Plaintiff has been informs and believes, and thereon alleges,  
15 that each of the wastewater treatment plants constructed by the defendants may have to be  
16 removed, in whole or in part, thereby adding to the damages incurred and to be incurred by the  
17 plaintiff.  
18  
19

20 17. Plaintiff has incurred and continues to incur necessary and reasonable attorney's fees  
21 and other legal costs defending itself from the allegations of the state, defending itself because of  
22 the actions of the defendants, and prosecuting this matter. Plaintiff does not know the full amount  
23 thereof at this time and requests leave of this court to amend this complaint when the full amount  
24 becomes known.  
25

26 WHEREFORE, PLAINTIFF prays for judgment for damages in an amount according to proof, for  
27 indemnification from any fine that may be levied by the state of Arizona, for interest on any  
28

1 amount awarded by this court, for attorneys fees and expenses paid, including expert fees, and for  
2 such other and further relief as the court may deem proper.

3 KIMERER & DERRICK, P.C.

4  
5 By: Michael D. Kimerer *Pro*  
6 Michael D. Kimerer  
7 Attorneys for Far West Water and Sewer, Inc.  
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*Clear Solutions Enviroengineering, Inc.*

Cell 303-810-3084  
Office 303-662-9876  
Fax 303-799-0111

Wastewater  
Engineering  
Construction  
Operations  
  
564 Apollo Ct  
Littleton, CO 80124

**WASTEWATER TREATMENT FACILITIES PROPOSAL**

**DUSTY THOMAS  
DIRECTOR OF OPERATIONS  
FAR WEST WATER & SEWER, INC.  
12486 S. FOOTHILLS BLVD.  
YUMA, ARIZONA 85367**

**ONE 450,000 GPD CLEAR PROCESS  
(CYCLIC LOGIC EXTENDED AERATION REACTOR)  
FIBERGLASS TANK CONSTRUCTION BELOW GRADE  
WITH PLC CONTROLS AND ULTRAVIOLET DISINFECTION  
CONSTRUCTED IN THREE 150,000 GPD PHASES  
TWO BASINS EACH**

**FIRM PROPOSAL FOR 150,000 GPD PHASE ONE**

**PROJECT NAME**

**DEL ORO WWTP IN MESA DEL SOL**

**PROJECT LOCATION**

**YUMA, ARIZONA**

March 27, 2003

Clear Solutions Project Number #03272003

**Exhibit A**

### CLEAR SOLUTIONS CONTRACT INSTRUCTIONS

The following document contains six sections intended to define the scope of work to be performed and the equipment to be supplied by Clear Solutions Environeering, Inc.

- **Section #1 – Contact Information** – This section contains the Owner, Project Engineer's and Clear Solutions primary contact information.
- **Section #2 – Agreement** – This is the portion of the document to be signed by the client and Clear Solutions committing both parties to the terms and conditions of this contract.
- **Section #3 – Specifications** – This section details the design parameters and equipment to be provided by Clear Solutions.
- **Section #4 – Clear Solutions Furnished Services** – This section details the services supplied by Clear Solutions other than equipment.
- **Section #5 – General Provisions** – This section details the general specifications covering the contract and the responsibilities of each party to the contract.
- **Section #6 – Client Furnished Services and Materials** – This section specifies the services and materials required of the Client \ Client's Contractor for installation of the treatment plant.

**CONTACT INFORMATION**

**OWNER**

|                   |                                    |
|-------------------|------------------------------------|
| NAME:             | Far West Water and Sewer, Inc.     |
| CONTACT:          | Mr. Dusty Thomas                   |
| PHONE:            | 928-342-1238                       |
| FAX:              | 928-342-7108                       |
| EMAIL:            |                                    |
| MAILING ADDRESS:  |                                    |
| PHYSICAL ADDRESS: | 12486 S. Foothills Blvd.           |
| CITY/STATE/ZIP:   | Yuma, AZ 85367                     |
| PROJECT NAME:     | Del Oro Wastewater Treatment Plant |
| PROJECT LOCATION: | Yuma, Arizona                      |

**PROJECT ENGINEER**

|                   |                                     |
|-------------------|-------------------------------------|
| NAME:             | Clear Solutions Environeering, Inc. |
| CONTACT:          | Kent Marley, P.E.                   |
| PHONE:            | (303) 810-3084                      |
| FAX:              | (303) 799-0111                      |
| EMAIL:            | Kmarley2000@aol.com                 |
| MAILING ADDRESS:  |                                     |
| PHYSICAL ADDRESS: | 564 Apollo Ct.                      |
| CITY/STATE/ZIP:   | Littleton, CO 80124                 |

**CLEAR SOLUTIONS**

|                  |                     |
|------------------|---------------------|
| PRESIDENT:       | Kent Marley, P.E.   |
| PROJECT MANAGER: | same                |
| PHONE:           | (303) 810-3084      |
| FAX:             | (303) 799-0111      |
| EMAIL:           | Kmarley2000@aol.com |
| ADDRESS:         | 564 Apollo Ct.      |
| CITY/STATE/ZIP:  | Littleton, CO 80124 |

Far West - Del Oro  
Wastewater Treatment Plant

### AGREEMENT

#### PRICING:

|              |         |   |
|--------------|---------|---|
| \$497,000.00 | Phase 1 | 150,000 GPD Treatment Plant F.O.B Jobsite |
| \$415,000.00 | Phase 2 | 150,000 GPD Treatment Plant F.O.B Jobsite |
| \$415,000.00 | Phase 3 | 150,000 GPD Treatment Plant F.O.B Jobsite |

#### NOTES:

- Pricing on Phases 2 and 3 will vary depending on timing of order, above numbers are estimates only in 2003 dollars.
- Provide resale number and/or tax-exempt number or applicable taxes will be added to the final invoice.
- Estimated construction time line: 14-16 weeks from receipt of notice to proceed to delivery of tanks to jobsite. If the site is prepared prior to delivery, installation of tanks, set-up and start-up of equipment should require 4-6 weeks.

#### TERMS OF PAYMENT:

A signed contract and \$75,000.00 will be required to initiate engineering design, regulatory submittal, and support for APP permit amendment through ADEQ. A written notice to proceed to manufacturing and \$174,000.00 shall be required to initiate ordering of equipment. An additional \$198,000.00 shall be due upon delivery of the equipment to the jobsite. The remaining balance of \$50,000.00 shall be due upon completion, or 45 days after delivery to jobsite, whichever comes first.

THIS PROPOSAL MAY BE WITHDRAWN BY CLEAR SOLUTIONS IF NOT ACCEPTED WITHIN 45 DAYS FROM THE DATE OF SUBMISSION. IT MAY BE EXTENDED BY CONTACTING CLEAR SOLUTIONS FOR CONFIRMATION.

PURCHASER:

AUTHORIZED  
SIGNATURE:

TITLE:

DATE:

Dusty Herman  
Sec/Treas. Dir. & Oper.  
09-06-03

SELLER:

AUTHORIZED  
SIGNATURE:

TITLE:

DATE:

Clear Solutions Environeering, Inc.

K. J. H. H.  
President

3/27/03

### SPECIFICATIONS

CLEAR SOLUTIONS WILL PROVIDE THE FOLLOWING CLEAR (Cyclic Logic Extended Aeration Reactor) WASTEWATER TREATMENT FACILITY IN ACCORDANCE WITH THE DESIGN SUMMARY PARAMETERS LISTED BELOW:

DESIGN HYDRAULIC FLOW: 150,000 GPD  
PEAK HOURLY DESIGN FLOW: 208 GPM FOR 4 HOURS  
AERATION DETENTION TIME @ DESIGN FLOW: 19.6 HOURS  
DECANT TIME @ DESIGN FLOW: 4.5 HOURS/DAY  
DECANT TIME AT PEAK LOADING @ DESIGN FLOW: 6 HOURS/DAY

| POLLUTANT                | MAX. AVGERAGE<br>INFLUENT CONC. | EFFLUENT<br>AVERAGE | EFFLUENT<br>MAXIMUM GRAB |
|--------------------------|---------------------------------|---------------------|--------------------------|
| BOD <sub>5</sub> (mg/l): | 200                             | 10                  | 15                       |
| TSS (mg/l):              | 200                             | 10                  | 15                       |
| Total Nitrogen:          | 45                              | <10                 |                          |
| Fecal Coliform:          |                                 | <23                 |                          |

The facility will include and consist of the following equipment and assemblies:

#### TERTIARY TREATMENT PROCESS EQUIPMENT:

1. ONE (1) influent lift station, complete with vertical cylindrical fiberglass tank, duplex submersible pumping system, PLC control panel and flow control system. The lift station shall be designed to serve an average flow of 150,000 gallons per day with the basin sized for expansion to 6 pumps and 450,000 gallons per day at buildout of facility.
2. ONE (1) Hycor wedgewire screen to eliminate solids from entering the treatment process to be placed immediately following the lift station and prior to the pretreatment tank.
3. ONE (1) underground, horizontally installed, fiberglass pretreatment tank. The pretreatment tank will be installed in a vessel to be combined with other aeration treatment units.
4. TWO (2) underground, horizontally installed, cylindrical fiberglass, aeration treatment reactors. Reactors will be vessels operating as parallel trains based upon hydraulic requirements following the pretreatment tank.
5. THREE (3) GLI dissolved oxygen sensors will be provided, one for each process tank and one for the influent lift station.
6. FOUR (4) decant pumps Fairbanks-Morse or equal, mounted outside the treatment reactor in an easily accessed vault.

7. ONE (1) PLC based logic control center to include Allen Bradley Programmable Logic Controllers, operator interface with touch screen control, hand-on-off switches and hour meters with Wonderware software. A main circuit breaker, necessary branch circuit breakers, combination motor starters, timers, switches, lights, and alarms necessary to automatically control and operate all electrical devices and motors in the lift station and the CLEAR system. Alarming will be visual and audible for high and low water levels in the process tankage and in the influent lift station. An auto-dialer will notify the operator by direct dial to pager for decant pump failure, blower failure, lift station pump failure, and high or low water level alarms in the process tankage or lift station. PVC Junction Boxes will be located at the reactor basins.
8. ONE (1) duplex aeration system consisting of:
  - a. TWO (2) rotary blower units
  - b. TWO (2) 15 HP motors
  - c. TWO (2) intake filters
  - d. TWO (2) inlet silencers
  - e. TWO (2) outlet silencers

#### ADVANCED TREATMENT PROCESS EQUIPMENT:

Included.

#### DISINFECTION EQUIPMENT:

1. TWO (2) ultraviolet disinfection units mounted in the control building, model CSL-8R provided by Aquafine Corporation.

#### ADDITIONAL EQUIPMENT:

1. TWO (2) magnetic in line flow meters, one following the influent lift station for measurement of process feed rate and another after the disinfection process to measure the totalized daily flow volume.

**CLEAR SOLUTIONS FURNISHED SERVICES OTHER THAN  
EQUIPMENT**

- Perform equipment set-up including installation of the blower package, pumping systems, aeration piping, decant piping, diffusers, and all PLC control/ alarm systems.
- Perform initial plant start-up and testing of equipment.
- On-site maintenance training for plant operators at time of start-up.
- Five copies of Operations and Maintenance Manuals.

### GENERAL PROVISIONS

- A regulatory submittal package will be provided upon contract signing and receipt of down payment funds which includes design calculations, a full set of AutoCAD 2000™ drawings and other applicable reports required for regulatory review and permitting of the proposed facility.
- Equipment warranties are for a period of one (1) year and are in accordance with manufacturer's provisions as provided in the Operations and Maintenance Manual supplied after start-up of the facility.
- Effluent performance warranty is for three (3) years in accordance with Clear Solutions Effluent Performance Warranty Agreement included as exhibit 'A'.
- Additional time or trips required to complete installation, due to delays that prevent the continuous or uninterrupted flow of work or delays at the request of the Owner, will be billed as an extra cost. The additional cost will be billed based upon the direct cost of travel to and from the jobsite plus \$500.00 per day per employee working onsite.



**CLIENT FURNISHED SERVICES, MATERIALS AND COSTS**

- All Permit and/ or application fees associated with the construction / regulatory approval of the facility described herewith.
- On-site Contractors work
  - Excavation for all tankage and underground lines as shown on the wastewater treatment plant layout drawing.
  - All tank tie-down straps and dead men for tank anchoring, if required.
  - Supply and place 12" min 3/8" pea gravel bed under all tankage.
  - Unload and place all tankage at elevations shown on the hydraulic profile drawing.
  - Backfill around tanks with 3/8" pea gravel to a level just below the inlet and outlet pipe inverts.
  - Backfill around tanks with 3/8" pea gravel to a level just below the tank manway collars.
  - Following installation of process piping by Clear Solutions, backfill with 3/8" pea gravel to finish elevations shown on the hydraulic profile drawing.
  - Provide clean water to fill the tanks at the time of start-up
  - Construct concrete footers for optional building if accepted.
- Provide on-site building for blower package and operations laboratory. Clear Solutions will assist in recommending in building sizing and layout.
- Provide primary electrical power (460 Volt, 3 Phase, 60 Hz) and installation of the power to the site building and each Clear Solutions control panel. This work is to include furnishing conduit and pulling electrical wire from the main disconnect panel to each equipment control panel location.
- Owner furnished electrical equipment
  - Electrical Service entrance to building
  - Electrical meter
  - 460 Volt distribution panel with main disconnect and appropriate breakers
  - 460/120 Volt transformer
  - 120V distribution panel with breakers
- Telephone service to the site building.
- Freeze-proof potable water hydrant for use by the operator for maintaining cleanliness.
- Potable water to the site building.
- All required fencing and signage around the wastewater treatment plant.
- Landscaping around the facility.
- Access road to the plant site and operations and control building.

**Exhibit "A"**

***Effluent Performance Warranty***

**Terms and Conditions**

**1.1 Term of Performance Guarantee:**

The term of the Clear Solutions System Performance Guarantee shall be for a period of thirty-six (36) months following plant start-up. Plant start up is defined as either 90 days following introduction of the first wastewater flows through the system, or in the event there is not sufficient flows to sustain the biological process, starting at the point where process stability is shown through compliance monitoring tests to be operating within the normal operating conditions as set forth in the Facility Operations and Maintenance Manual, whichever comes first. In the event starting date for the three (3) year Term of the Performance Guarantee would extend the Performance Guarantee beyond five (5) years from the date the plant was installed the Term of the Performance Guarantee will be shortened to end 60 months following the completion date as recorded in Clear Solutions records.

**1.2 Required Operating Conditions:**

The performance warranty guarantees the effluent from the Clear Solutions wastewater treatment plant will meet the design effluent pollutant concentrations outlined in the table below, under the following conditions:

- A) The Plant Operator has attended and been certified through ADEQ.
- B) The plant is being operated and maintained in accordance with the procedures outline in the Clear Solutions Operations and Maintenance Manual, as approved by the State of Arizona.
- C) Plant operations and maintenance procedures are in accordance with generally accepted industry practices for operation of wastewater treatment facilities.
- D) Process Control and Compliance Monitoring Tests have been collected and measured in accordance with Standard Methods and Procedures (EPA CFR 40-136, eighteenth edition or later).
- E) Process Control and Compliance Monitoring Test results have been recorded and submitted to the appropriate regulatory agencies as required by the permits and in accordance with the procedures outlined in the Clear Solutions O & M manuals.
- F) The influent pollutant concentrations, composition and hydraulic flow rate are within the limits of the design values established and used for engineering/designing of the plant and as shown in this contract.

**1.3 Conditions required for making a Claim.**

Clear Solutions, upon receipt of a notice of violation of the governing permit limits from regulatory authority, caused by or applicable to either equipment or the design of equipment provided by Clear Solutions, will identify and correct either problem as it relates to the process design, equipment, or operation of the facility at their expense.

**1.4 Conditions not covered:**

Problems caused by factors other than the process equipment design, the functionality of equipment or operation of the facility in accordance with Clear Solutions Operation and Maintenance instructions are excluded from this guarantee and the Facility Owner will be responsible for reimbursing Clear Solutions for all their travel, equipment, and per diem expenses associated with investigation and identification of the operation problem incurred from the time of claim through identification and resolution of the problem.



*Clear Solutions Enviroengineering, Inc.*

Cell 303-810-3084  
Office 303-662-9876  
Fax 303-799-0111

Wastewater  
Engineering  
Construction  
Operations

564 Apollo Ct  
Littleton, CO 80124

**WASTEWATER TREATMENT FACILITIES PROPOSAL**

**FARWEST WATER AND SEWER, INC.  
MR. DUSTY THOMAS  
12486 S. FOOTHILLS BLVD.  
YUMA, AZ 85367**

**ONE 500,000 GPD CLEAR PROCESS  
(CYCLICK LOGIC EXTENDED AERATION REACTOR)  
RETROFIT OF EXISTING 340,000 GPD MARWOOD PLANT**

**PROJECT NAME**

**MARWOOD (RETROFIT) WASTEWATER TREATMENT PLANT**

**PROJECT LOCATION**

**YUMA, ARIZONA**

April 23, 2004

Clear Solutions Project Number #04232004

**Exhibit B**

## **CLEAR SOLUTIONS CONTRACT INSTRUCTIONS**

The following document contains six sections intended to define the scope of work to be performed and the equipment to be supplied by Clear Solutions Enviroengineering, Inc.

- **Section #1 – Contact Information** – This section contains the Owner, Project Engineer's and Clear Solutions primary contact information.
- **Section #2 – Agreement** – This is the portion of the document to be signed by the client and Clear Solutions committing both parties to the terms and conditions of this contract.
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- **Section #4 – Clear Solutions Furnished Services** – This section details the services supplied by Clear Solutions other than equipment.
- **Section #5 – General Provisions** – This section details the general specifications covering the contract and the responsibilities of each party to the contract.
- **Section #6 – Client Furnished Services and Materials** – This section specifies the services and materials required of the Client \ Client's Contractor for installation of the treatment plant.

**Far West Sewer Plant - (Marwood) Retrofit**  
Wastewater Treatment Plant

**CONTACT INFORMATION**

**OWNER**

|                   |   |
|-------------------|---|
| NAME:             | Far West Water and Sewer, Inc.              |
| CONTACT:          | Mr. Dusty Thomas                            |
| PHONE:            | 928-342-1238                                |
| FAX:              | 928-342-7108                                |
| EMAIL:            |   |
| MAILING ADDRESS:  |   |
| PHYSICAL ADDRESS: | 12486 S. Foothills Blvd.                    |
| CITY/STATE/ZIP:   | Yuma, AZ 85367                              |
| PROJECT NAME:     | Marwood Wastewater Treatment Plant Retrofit |
| PROJECT LOCATION: | Yuma, Arizona                               |

**PROJECT ENGINEER**

|                   |   |
|-------------------|---|
| NAME:             | Clear Solutions Enviroengineering, Inc. |
| CONTACT:          | Kent Marley, P.E.                       |
| PHONE:            | (303) 810-3084                          |
| FAX:              | (303) 799-0111                          |
| EMAIL:            | Kmarley2000@aol.com                     |
| MAILING ADDRESS:  |   |
| PHYSICAL ADDRESS: | 12937 Kearney St                        |
| CITY/STATE/ZIP:   | Thornton, CO 80602                      |

**CLEAR SOLUTIONS**

|                  |                     |
|------------------|---------------------|
| PRESIDENT:       | Kent Marley, P.E.   |
| PROJECT MANAGER: | same                |
| PHONE:           | (303) 810-3084      |
| FAX:             | (303) 799-0111      |
| EMAIL:           | Kmarley2000@aol.com |
| ADDRESS:         | 12937 Kearney St    |
| CITY/STATE/ZIP:  | Thornton, CO 80602  |

**Far West Sewer Plant -- (Marwood) Retrofit**  
Wastewater Treatment Plant

**AGREEMENT**

**PRICING:**

\$525,000.00

500,000 GPD Treatment Plant Retrofit

**NOTES:**

- Estimated construction time line: 8-12 weeks from receipt of notice to proceed. Phase one of the plant must be pumped and cleaned out prior to Clear Solutions Environeering starting work.

**TERMS OF PAYMENT:**

A signed contract and \$75,000.00 will be required to initiate engineering design, regulatory submittal, and support for APP permit amendment through ADEQ. A written notice to proceed to manufacturing and \$200,000.00 shall be required to initiate ordering of equipment. An additional \$175,000.00 shall be due upon delivery of the equipment to the jobsite. The remaining balance of \$75,000.00 shall be due upon completion, or 45 days after delivery to jobsite, whichever comes first.

**THIS PROPOSAL MAY BE WITHDRAWN BY CLEAR SOLUTIONS IF NOT ACCEPTED WITHIN 45 DAYS FROM THE DATE OF SUBMISSION. IT MAY BE EXTENDED BY CONTACTING CLEAR SOLUTIONS FOR CONFIRMATION:**

|                              |                                |                              |                                     |
|------------------------------|--------------------------------|------------------------------|-------------------------------------|
| <b>PURCHASER:</b>            | <u>H&amp;S Developers Inc.</u> | <b>SELLER:</b>               | Clear Solutions Environeering, Inc. |
| <b>AUTHORIZED SIGNATURE:</b> | <u>Quincy Thomas</u>           | <b>AUTHORIZED SIGNATURE:</b> | <u>K. Stelly</u>                    |
| <b>TITLE:</b>                | <u>Dir. of Oper. Sec/Treas</u> | <b>TITLE:</b>                | <u>President</u>                    |
| <b>DATE:</b>                 | <u>04-29-04</u>                | <b>DATE:</b>                 | <u>4/23/04</u>                      |

**Far West Sewer Plant – (Marwood) Retrofit**  
Wastewater Treatment Plant

**SPECIFICATIONS**

**CLEAR SOLUTIONS WILL PROVIDE THE FOLLOWING CLEAR (Cyclic Logic Extended Aeration Reactor) WASTEWATER TREATMENT FACILITY IN ACCORDANCE WITH THE DESIGN SUMMARY PARAMETERS LISTED BELOW:**

DESIGN HYDRAULIC FLOW: 500,000 GPD  
PEAK HOURLY DESIGN FLOW: 700 GPM FOR 4 HOURS  
AERATION DETENTION TIME @ DESIGN FLOW: 19.2 HOURS  
DECANT TIME @ DESIGN FLOW: 4.5 HOURS/DAY  
DECANT TIME AT PEAK LOADING @ DESIGN FLOW: 6 HOURS/DAY

| POLLUTANT                | MAX. AVERAGE<br>INFLUENT CONC. | EFFLUENT<br>AVERAGE | EFFLUENT<br>MAXIMUM GRAB |
|--------------------------|--------------------------------|---------------------|--------------------------|
| BOD <sub>5</sub> (mg/l): | 200                            | 10                  | 15                       |
| TSS (mg/l):              | 200                            | 10                  | 15                       |
| Total Nitrogen:          | 45                             | <10                 |                          |
| Fecal Coliform:          |                                | <23                 |                          |

**The facility will include and consist of the following equipment and assemblies:**

**TERTIARY TREATMENT PROCESS EQUIPMENT:**

1. ONE (1) Hycor wedgewire screen to eliminate solids from entering the treatment process to be placed immediately following the lift station and prior to the pretreatment tank..
2. ONE (1) Fiberglass flow splitting box to equalize influent flow between the four treatment reactors
3. FOUR (4) GLI dissolved oxygen sensors will be provided, one for each process tank and one for the influent lift station.
4. FOUR (4) decant pumps Hydromatic or equal, mounted outside the treatment reactor.
5. Process controls as follows:

**Far West Sewer Plant – (Marwood) Retrofit**  
Wastewater Treatment Plant

*(1) Control Enclosure*

*This Quote includes:*

*Control Enclosure*

*System electrical layout, design*

*System Programming*

*Material fabrication and procurement*

*System documentation.*

*System install in the field*

**System Description**

*Clear Solutions will provide a Control Enclosure designed to 600V Construction with a PLC control and a 350Amp load. The PLC will be program to run a waste water treatment plant.(see program below for operation steps)*

- 2, 1 bay Enclosure Expandable*
- 1, 350 Amp main disconnect (Circuit Breaker)*
- 4, 20hp Fused Blower Starters*
- 2, 25HpLift Station Pump Starters*
- 4, 10Hp Fused Decant Starters*
- 2, 10Hp Sludge Pump Starter*
- 4, 30 Amp Fused 208 UV Disinfect Power lines*
- 1, 30 Amp Control Wiring*
- 2, GE 90/30 PLC with Genius I/O*
- 1, 10"GE TouchScreen, TFT*
- 1, Ethernet Hub*
- 1, 15KVA Single Phase 480Pri-208/120 Sec Step-down transformer*
- 1, Dell P5 Computer*
- 1, Automatic Dialer*
- 1, Modem*

**Construction**

*The Enclosure will be constructed to meet UL508 standards. The Enclosure will be design to accommodate future expansion of two additional systems. The enclosure will have a 250 amp main breaker with power distribution to accommodate future expansion. The Enclosure will also have adequate Lightning and surge protection on the Control Circuit to prevent damage of 50000Volts line-line or line to ground*

**System Control**

**Clear Solutions Enviroengineering, Inc.**  
**Contract**



**Far West Sewer Plant – (Marwood) Retrofit**  
Wastewater Treatment Plant

*Control of the system will be accomplished by the utilization of a touch screen interface. The interface will incorporate special functions to determine the status of inputs and outputs, manually drive these outputs and error recovery. The touchscreen will have sufficient memory to operate the future systems.*

PLC

A PLC based controller will accomplish control of all devices. A backup PLC will be installed in the system to take over control if primary PLC fails. The program will be written with the following controls sequence.

- 1) Aeration cycle begins the Auto cycle and will continue for a customer selected time.
- 2) Settling cycle will begin after the Aeration cycle ends and will run for a customer selected time
- 3) Close to the end of the settling cycle the sludge pump will pump sludge from the tank for a customer selected time.
- 4) Decant cycle will begin at the end of the Settling Cycle and will run for a customer selected time.

Documentation

- A basic documentation package will be provided. This would include:
  - Electrical: One electronic and hard copy of all electrical drawings.
  - Electrical: One electronic copy of all programming.
  - Spare parts listing.
  - Vendor documentation
  - Updated Bill of Materials

Control System Delivery

Estimated delivery is approximately 6-8 weeks from receipt of order.  
Shipping is FOB Longmont

**Far West Sewer Plant – (Marwood) Retrofit**  
Wastewater Treatment Plant

**ADVANCED TREATMENT PROCESS EQUIPMENT:**

**Included.**

**DISINFECTION EQUIPMENT:**

1. TWO (2) LMI chlorine pumps will be utilized to

**ADDITIONAL EQUIPMENT:**

1. THREE (3) magnetic in line flow meters, two following the decant pumps and another after the disinfection process to measure the totalized daily flow volume.
2. Two (2) Netche Progressive Cavity Sludge Pumps and associated piping.

**CLEAR SOLUTIONS FURNISHED SERVICES OTHER  
THAN EQUIPMENT**

- Perform equipment set-up including rewiring of the blower packages, pumping systems, aeration piping, decant piping, diffusers, and all PLC control/alarm systems.
- Perform initial plant start-up and testing of equipment.
- On-site maintenance training for plant operators at time of start-up.
- Five copies of Operations and Maintenance Manuals.

### **GENERAL PROVISIONS**

- A regulatory submittal package will be provided upon contract signing and receipt of down payment funds which includes design calculations, a full set of AutoCAD 2000™ drawings and other applicable reports required for regulatory review and permitting of the proposed facility.
- Equipment warranties are for a period of one (1) year and are in accordance with manufacturer's provisions as provided in the Operations and Maintenance Manual supplied after start-up of the facility.
- Effluent performance warranty is for three (3) years in accordance with Clear Solutions Effluent Performance Warranty Agreement included as exhibit 'A'.
- Additional time or trips required to complete installation, due to delays that prevent the continuous or uninterrupted flow of work or delays at the request of the Owner, will be billed as an extra cost. The additional cost will be billed based upon the direct cost of travel to and from the jobsite plus \$500.00 per day per employee working onsite.

**CLIENT FURNISHED SERVICES, MATERIALS AND COSTS**

- All Permit and/ or application fees associated with the construction / regulatory approval of the facility described herewith.
- Provide on-site building for electrical controls and operations laboratory. Clear Solutions will assist in recommending in building sizing and layout.
- Provide primary electrical power (460 Volt, 3 Phase, 60 Hz) and installation of the power to the site building and each Clear Solutions control panel. This work is to include furnishing conduit and pulling electrical wire from the main disconnect panel to each equipment control panel location.
- Owner furnished electrical equipment
  - Electrical Service entrance to building
  - Electrical meter
  - 480 Volt distribution panel with main disconnect and appropriate breakers
  - 480/120 Volt transformer
  - 120V distribution panel with breakers
- Telephone service to the site building.
- Freeze-proof potable water hydrant for use by the operator for maintaining cleanliness.
- Potable water to the site building.
- All required fencing and signage around the wastewater treatment plant.
- Landscaping around the facility.
- Access road to the plant site and operations and control building.

**Exhibit "A"**

***Effluent Performance Warranty***

**Terms and Conditions**

**1.1 Term of Performance Guarantee:**

The term of the Clear Solutions System Performance Guarantee shall be for a period of thirty-six (36) months following plant start-up. Plant start up is defined as either 90 days following introduction of the first wastewater flows through the system, or in the event there is not sufficient flows to sustain the biological process, starting at the point where process stability is shown through compliance monitoring tests to be operating within the normal operating conditions as set forth in the Facility Operations and Maintenance Manual, whichever comes first. In the event starting date for the three (3) year Term of the Performance Guarantee would extend the Performance Guarantee beyond five (5) years from the date the plant was installed the Term of the Performance Guarantee will be shortened to end 60 months following the completion date as recorded in Clear Solutions records.

**1.2 Required Operating Conditions:**

The performance warranty guarantees the effluent from the Clear Solutions wastewater treatment plant will meet the design effluent pollutant concentrations outlined in the table below, under the following conditions:

- A) The Plant Operator has attended and been certified through ADEQ.
- B) The plant is being operated and maintained in accordance with the procedures outline in the Clear Solutions Operations and Maintenance Manual, as approved by the State of Arizona.
- C) Plant operations and maintenance procedures are in accordance with generally accepted industry practices for operation of wastewater treatment facilities.
- D) Process Control and Compliance Monitoring Tests have been collected and measured in accordance with Standard Methods and Procedures (EPA CFR 40-136, eighteenth edition or later).
- E) Process Control and Compliance Monitoring Test results have been recorded and submitted to the appropriate regulatory agencies as required by the permits and in accordance with the procedures outlined in the Clear Solutions O & M manuals.
- F) The influent pollutant concentrations, composition and hydraulic flow rate are within the limits of the design values established and used for engineering/designing of the plant and as shown in this contract.

**1.3 Conditions required for making a Claim.**

Clear Solutions, upon receipt of a notice of violation of the governing permit limits from regulatory authority, caused by or applicable to either equipment or the design of equipment provided by Clear Solutions, will identify and correct either problem as it relates to the process design, equipment, or operation of the facility at their expense.

**1.4 Conditions not covered:**

Problems caused by factors other than the process equipment design, the functionality of equipment or operation of the facility in accordance with Clear Solutions Operation and Maintenance instructions are excluded from this guarantee and the Facility Owner will be responsible for reimbursing Clear Solutions for all their travel, equipment, and per diem expenses associated with investigation and identification of the operation problem incurred from the time of claim through identification and resolution of the problem.



# Clear Solutions Enviroengineering, Inc.

Cell 303-810-3084  
Office 303-662-9876  
Fax 303-799-0111

Wastewater  
Engineering  
Construction  
Operations  
564 Apollo Ct.  
Littleton, CO 80124

## WASTEWATER TREATMENT FACILITIES PROPOSAL

Del Oro  
2nd  
Phase  
Proposal

DUSTY THOMAS  
DIRECTOR OF OPERATIONS  
ARWEST WATER & SEWER, INC.  
12486 S. FOOTHILLS BLVD.  
YUMA, AZ 85367

ONE 150,000 GPD CLEAR PROCESS  
(CYCLIC LOGIC EXTENDED AERATION REACTOR)  
FIBERGLASS TANK CONSTRUCTION BELOW GRADE  
WITH PLC CONTROLS AND CHLORINE DISINFECTION  
CONSTRUCTED IN THREE 150,000 GPD PHASES  
TWO BASINS EACH

FIRM PROPOSAL FOR 150,000 GPD PHASE TWO

### PROJECT NAME

DEL ORO WWTP IN MESA DEL SOL

### PROJECT LOCATION

YUMA, ARIZONA

July 20, 2004

Clear Solutions Project Number #07202004

Exhibit C

## CLEAR SOLUTIONS CONTRACT INSTRUCTIONS

The following document contains six sections intended to define the scope of work to be performed and the equipment to be supplied by Clear Solutions Enviroengineering, Inc.

- **Section #1 – Contact Information** – This section contains the Owner, Project Engineer's and Clear Solutions primary contact information.
- **Section #2 – Agreement** – This is the portion of the document to be signed by the client and Clear Solutions committing both parties to the terms and conditions of this contract.
- **Section #3 – Specifications** – This section details the design parameters and equipment to be provided by Clear Solutions.
- **Section #4 – Clear Solutions Furnished Services** – This section details the services supplied by Clear Solutions other than equipment.
- **Section #5 – General Provisions** – This section details the general specifications covering the contract and the responsibilities of each party to the contract.
- **Section #6 – Client Furnished Services and Materials** – This section specifies the services and materials required of the Client \ Client's Contractor for installation of the treatment plant.



CONTACT INFORMATION

OWNER

NAME: Far West Water and Sewer, Inc.  
CONTACT: Mr. Dusty Thomas  
PHONE: 928-342-1238  
FAX: 928-342-7108  
EMAIL:  
MAILING ADDRESS:  
PHYSICAL ADDRESS: 12486 S. Foothills Blvd.  
CITY/STATE/ZIP: Yuma, AZ 85367  
PROJECT NAME: Del Oro Wastewater Treatment Plant  
PROJECT LOCATION: Yuma, Arizona

PROJECT ENGINEER

NAME: Clear Solutions Enviroengineering, Inc.  
CONTACT: Kent Marley, P.E.  
PHONE: (928) 941-3367  
FAX: (928) 341-1075  
EMAIL: Kmarley2000@aol.com  
MAILING ADDRESS: 3075 S. Avenue 4E, Yuma, AZ 85365  
PHYSICAL ADDRESS: 12937 Kearney Street  
CITY/STATE/ZIP: Thornton, CO 80602

CLEAR SOLUTIONS

PRESIDENT: Kent Marley, P.E.  
PROJECT MANAGER: Kent Marley, P.E.  
PHONE: (928) 941-3367  
FAX: (928) 341-1075  
EMAIL: kmarley2000@aol.com  
ADDRESS: 12937 Kearney Street  
CITY/STATE/ZIP: Thornton, CO 80602

DEL ORO WWTP PHASE II  
Wastewater Treatment Plant

AGREEMENT

PRICING:

\$595,000.00 Phase II 150,000 GPD Treatment Plant F.O.B. Jobsite

NOTES:

- Provide resale number and/or tax-exempt number or applicable taxes will be added to the final invoice.
- Estimated construction time line: 14-16 weeks from receipt of notice to proceed to delivery of tanks to jobsite. If the site is prepared prior to delivery, installation of tanks, set-up and start-up of equipment should require 4-6 weeks.

TERMS OF PAYMENT:

A signed contract, written notice to proceed to manufacturing and \$200,000.00 shall be required to initiate ordering of equipment. An additional \$345,000.00 shall be due upon delivery of the equipment to jobsite. The remaining balance of \$50,000.00 shall be due upon completion, or 45 days after delivery to jobsite, whichever comes first.

This proposal may be withdrawn by Clear Solutions if not accepted within 45 days from the date of submission. It may be extended by contacting Clear Solutions for confirmation.

PURCHASER:

AUTHORIZED  
SIGNATURE:

TITLE:

DATE:

Dusty Thomas  
Senior Dir. of Oper.  
07-29-04

SELLER:

AUTHORIZED  
SIGNATURE:

TITLE:

DATE:

Clear Solutions Enviroengineering, Inc.

K. J. Miller  
President  
07/20/04

## SPECIFICATIONS

CLEAR SOLUTIONS WILL PROVIDE THE FOLLOWING CLEAR (Cyclic Logic Extended Aeration Reactor) WASTEWATER TREATMENT FACILITY IN ACCORDANCE WITH THE DESIGN SUMMARY PARAMETERS LISTED BELOW:

DESIGN HYDRAULIC FLOW: 150,000 GPD  
PEAK HOURLY DESIGN FLOW: 208 GPM for 4 hours  
AERATION DETENTION TIME @ DESIGN FLOW: 19.6 Hours  
DECANT TIME @ DESIGN FLOW: 4.5 Hours/day  
DECANT TIME AT PEAK LOADING @ DESIGN FLOW: 6 Hours/day

| POLLUTANT               | MAX. AVERAGE<br>INFLUENT CONC. | EFFLUENT<br>AVERAGE | EFFLUENT<br>MAXIMUM GRAB |
|-------------------------|--------------------------------|---------------------|--------------------------|
| BOD <sub>5</sub> (mg/l) | 200                            | 10                  | 15                       |
| TSS (mg/l)              | 200                            | 10                  | 15                       |
| Total Nitrogen          | 45                             | <10                 |                          |
| Fecal Coliform          |                                | <23                 |                          |

The facility will include and consist of the following equipment and assemblies:

### TERTIARY TREATMENT PROCESS EQUIPMENT:

1. ONE (1) underground, horizontally installed, fiberglass pretreatment tank. The pretreatment tank will be installed in a vessel to be combined with other aeration treatment units.
2. TWO (2) underground, horizontally installed, cylindrical fiberglass, aeration treatment reactors. Reactors will be vessels operating as parallel trains based upon hydraulic requirements following the pretreatment tank.
3. TWO (2) GLI dissolved oxygen sensors will be provided, one for each process tank and one for the pretreatment tank.
4. FOUR (4) decant pumps Hydromatic or equal, mounted outside the treatment reactor in an easily accessed vault.
5. ONE (1) PLC-based logic control center to include General Electrical Programmable Logic Controllers, operator interface with touch screen control, and hand-on-off switches and hour meter with Intellution software. A main circuit breaker, necessary branch circuit breakers, combination motor starters, timers, switches, lights, and alarms necessary to automatically control and operate all electrical devices and motors in the lift station and the CLEAR system. Alarming will be visual and audible for high and low water levels in the process tankage and in the influent lift station. An auto-dialer will notify the operator by direct dial to pager for decant pump failure, blower failure, lift station pump failure, and

DEL ORO WWTP PHASE II  
Wastewater Treatment Plant

high or low water level alarms in the process tankage or lift station. PVC Junction Boxes will be located at the reactor basins.

6. ONE (1) duplex aeration system consisting of:

- a. TWO (2) rotary blower units
- b. TWO (2) 15 HP motors
- c. TWO (2) intake filters
- d. TWO (2) inlet silencers
- e. TWO (2) outlet silencers

ADVANCED TREATMENT PROCESS EQUIPMENT:

Included:

DISINFECTION EQUIPMENT:

- 1. ONE (1) chlorine pump.

ADDITIONAL EQUIPMENT:

- 1. TWO (2) magnetic in line flow meters, one following the decant pumps on Phase I and one following the decant pumps on Phase II.
- 2. ONE (1) 45,000 gallon underground, horizontally installed, sludge holding tank.

CLEAR SOLUTIONS FURNISHED SERVICES OTHER THAN  
EQUIPMENT

- Perform equipment set-up including installation of the blower package, pumping systems, aeration piping, decant piping, diffusers, and all electrical from main power disconnect to PLC control/alarm systems and sensors.
- Perform initial plant start-up and testing of equipment.
- On-site maintenance training for plant operators at time of start-up.
- Five copies of Operations and Maintenance Manuals.

### GENERAL PROVISIONS

- A regulatory submittal package will be provided upon contract signing and receipt of down payment funds which includes design calculations, a full set of AutoCAD 2000™ drawings and other applicable reports required for regulatory review and permitting of the proposed facility.
- Equipment warranties are for a period of one (1) year and are in accordance with manufacturer's provisions as provided in the Operations and Maintenance Manual supplied after start-up of the facility.
- Effluent performance warranty is for three (3) years in accordance with Clear Solutions Effluent Performance Warranty Agreement included as exhibit 'A'.
- Additional time or trips required to complete installation, due to delays that prevent the continuous or uninterrupted flow of work or delays at the request of the Owner, will be billed as an extra cost. The additional cost will be billed based upon the direct cost of travel to and from the jobsite plus \$500.00 per day per employee working onsite.

### CLIENT FURNISHED SERVICES, MATERIALS AND COSTS

- All Permit and/ or application fees associated with the construction / regulatory approval of the facility described herewith.
- On-site Contractors work
  - Excavation for all tankage and underground lines as shown on the wastewater treatment plant layout drawing.
  - All tank tie-down straps and dead men for tank anchoring, if required.
  - Supply and place 12" min 3/8" pea gravel bed under all tankage.
  - Unload and place all tankage at elevations shown on the hydraulic profile drawing.
  - Backfill around tanks with 3/8" pea gravel to a level just below the inlet and outlet pipe inverts.
  - Backfill around tanks with 3/8" pea gravel to a level just below the tank manway collars.
  - Following installation of process piping by Clear Solutions, backfill with 3/8" pea gravel to finish elevations shown on the hydraulic profile drawing.
  - Provide clean water to fill the tanks at the time of start-up.
  - Construct concrete footers for optional building, if required.
- Provide on-site building for blower package and operations laboratory. Clear Solutions will assist in recommending in building sizing and layout.
- Provide primary electrical power (480 Volt, 3 Phase, 60 Hz) and installation of the power to the site building and main Clear Solutions control panel.
- Owner furnished electrical equipment
  - Electrical Service entrance to building
  - Electrical meter
  - 480 Volt distribution panel with main disconnect and appropriate breakers
  - 480/120 Volt transformer
  - 120V distribution panel with breakers
- Telephone service to the site building.
- Freeze-proof potable water hydrant for use by the operator for maintaining cleanliness.
- Potable water to the site building.
- All required fencing and signage around the wastewater treatment plant.
- Landscaping around the facility.
- Access road to the plant site and operations and control building.

## **Exhibit "A"**

### **Effluent Performance Warranty**

#### **1.1 Term of Performance Guarantee:**

The term of the Clear Solutions System Performance Guarantee shall be for a period of thirty-six (36) months following plant start-up. Plant start up is defined as either 90 days following introduction of the first wastewater flows through the system, or in the event there is not sufficient flows to sustain the biological process, starting at the point where process stability is shown through compliance monitoring tests to be operating within the normal operating conditions as set forth in the Facility Operations and Maintenance Manual, whichever comes first. In the event starting date for the three (3) year Term of the Performance Guarantee would extend the Performance Guarantee beyond five (5) years from the date the plant was installed the Term of the Performance Guarantee will be shortened to end 60 months following the completion date as recorded in Clear Solutions records.

#### **1.2 Required Operating Conditions:**

The performance warranty guarantees the effluent from the Clear Solutions wastewater treatment plant will meet the design effluent pollutant concentrations outlined in the table below, under the following conditions:

- A) The Plant Operator has attended and been certified through ADEQ.
- B) The plant is being operated and maintained in accordance with the procedures outline in the Clear Solutions Operations and Maintenance Manual, as approved by the State of Arizona.
- C) Plant operations and maintenance procedures are in accordance with generally accepted industry practices for operation of wastewater treatment facilities.
- D) Process Control and Compliance Monitoring Tests have been collected and measured in accordance with Standard Methods and Procedures (EPA CFR 40-136, eighteenth edition or later).
- E) Process Control and Compliance Monitoring Test results have been recorded and submitted to the appropriate regulatory agencies as required by the permits and in accordance with the procedures outlined in the Clear Solutions O & M manuals.
- F) The influent pollutant concentrations, composition and hydraulic flow rate are within the limits of the design values established and used for engineering/designing of the plant and as shown in this contract.

#### **1.3 Conditions required for making a Claim.**

Clear Solutions, upon receipt of a notice of violation of the governing permit limits from regulatory authority, caused by or applicable to either equipment or the design of equipment provided by Clear Solutions, will identify and correct either problem as it relates to the process design, equipment, or operation of the facility at their expense.

#### **1.4 Conditions not covered:**

Problems caused by factors other than the process equipment design, the functionality of equipment or operation of the facility in accordance with Clear Solutions Operation and Maintenance Instructions are excluded from this guarantee and the Facility Owner will be responsible for reimbursing Clear Solutions for all their travel, equipment, and per diem expenses associated with investigation and identification of the operation problem incurred from the time of claim through identification and resolution of the problem.